GLWA
Great Lakes Water Authority

Financial Services
Audit Committee Communication

Date: June 26, 2026

To: Nicolette Bateson, CFO & Treasurer

From: Joshua Steinhebel, Professional Administrative Analyst

Re: City of Detroit Bond Rating Upgrade

Background & Analysis: In May 2026, the City of Detroit received positive upgrades in credit ratings from both Moody's and S&P. The city has experienced a climb in credit ratings dating back from the 2013 bankruptcy. Ratings released to the city this year recognize the city's improving financial resiliency.

The City of Detroit has received positive credit ratings from both Moody's and S&P for the twelfth consecutive year. This most recent upgrade has returned the city to the "A" category, its first since 1999. Credit ratings from Moody's have been upgraded from Baa1 to A3 and ratings from S&P rose from BBB to BBB+.

Moody's and S&P believe the city will sustain these credit ratings due to the following.

- Strong governance practice with revenue estimating and financial forecasting.
- Strong fiscal discipline and oversight of the city budget.
- The city's ability to cut costs.
- The city's low leverage and strong reserves.

These City of Detroit credit ratings changes have an indirect, positive impact on the GLWA credit profile. This is because credit rating agencies consider the ratings of broader region when reviewing the GLWA credit.

Proposed Action: Receive and file this report.